

IC 27-15-10

Chapter 10. Dividend Preservation

IC 27-15-10-1

Purpose of provisions; prohibitions

Sec. 1. (a) The sole purpose of any dividend preservation provision shall be to provide for reasonable policyholder dividend expectations on policies that provide for the distribution of policy dividends.

(b) No dividend preservation provision in a plan under this article shall be permitted:

- (1) to be a substitute for the distribution of consideration to eligible members upon extinguishing their membership interests as required by this article; or
- (2) to diminish any contractual rights to a dividend that a member or policyholder may have.

As added by P.L.94-1999, SEC.3.

IC 27-15-10-2

Limitations on provisions

Sec. 2. Any dividend preservation provision may be limited to participating individual life insurance policies and participating individual annuity contracts in force or considered to be in force by the plan of conversion on the effective date of the plan of conversion for which the mutual insurer has an experience based dividend scale due, paid, or accrued by action of the board of directors of the converting mutual in the year in which the plan of reorganization is adopted. However:

- (1) policies that would be included but for the fact that their recent issuance results in no dividends for an initial period may be included;
- (2) policies that are in force as extended term insurance may be included; and
- (3) other categories of policies and benefits not described in this subsection may be included or excluded, subject to the approval of the commissioner.

As added by P.L.94-1999, SEC.3.